

M e m o r a n d u m**245.0280**

To: Hollywood – Auditing (CWT)

Date: June 22, 1965

From: Tax Counsel (RHA)

Subject: [X]

Reference is made to your memo of June 7 and my telephone call to you on June 21 regarding the application of tax to retail sales of “--- Nonalcoholic Champagne”.

The product contains grape juice in excess of 30 percent, is carbonated and bottled to give it the appearance of champagne (and may even taste like champagne). It is not sold as grape juice, however.

It is our opinion that the retail sale of the product is subject to tax under Bulletin 52A(3) since we would classify it as a carbonated beverage rather than a fruit juice food product.

RHA:dse [lb]